

October 2014 Almond Position Report

October 2014 shipments are 204.6 million pounds. This is 10.5% lower than the October 2013 shipments of 228.6 million pounds.

2014 Almond Supply

Carry-in from the 2013 crop:	350 million pounds
2014 crop NASS estimate:	2.1 billion pounds
Less 3% loss / exempt:	63 million pounds
Less shipments to date:	509 million pounds
Less commitments:	458 million pounds
Remaining unsold supply:	1.42 billion pounds

Everyone this time of year is tired, stressed, or worried (or all three). So to the relief of many, we will forego our usual verbosity.

Every international market around the world that takes more than 1 million pounds is down, with the exceptions of: India, Belgium, Germany, Greece, Italy and The Netherlands. We know what you are thinking – if only Poland had made the cut, this would be a more impressive list than the United States’ last coalition to invade Iraq. And you would be correct.

The Middle East remains in perpetual chaos, with ISIS, affectionately also known as “Le Club 55 for Jihadists,” yet again proving that just when you thought you knew what the boundaries of crazy were, you really didn’t. Eastern Europe is nearing chaos. There are predictions of another Cold War brewing with Russia. Putin is puttin’ the moves on the Chinese first lady. With all this happening, it’s not surprising that exports are down 17% (about 29 million pounds) compared to October 2013.

But not all is lost because India just got a Minister for Yoga and Traditional Medicine. Our understanding is that this is a cabinet-level post.

Domestic shipments are a new record at 64.2 million pounds (up 8.1%). This is now definitive proof that the domestic US market for almonds now operates in a parallel universe that only Stephen Hawking and Neil Degrasse Tyson fully understand.

There is no rain. There is not much predicted in the short term. No one believes in the long term forecasts, so there is no need to discuss them here. We are running out of water in California but this is inconsequential. More trees being planted. More wells being dug. In the San Joaquin Valley, Genesis 1:28 rules – ‘nuff said.

There are port strikes, slowdowns and *[insert your own union-friendly term here for irresponsibly screwing your country and having a government that is too weak to invoke the Taft-Hartley Act]* on the West Coast of the United States. These are creating havoc on the imports and exports of the largest economy on the planet....but our society and news cycle seems more concerned with Kaley Cuoco’s leaked nude selfies, which

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rumor has it you can only see on a site dealing with “celebrity” and “jihad” anyway (as this is a publication *allegedly* read by many, some of whom may be under 21 or more importantly, religious fanatics, the exact address of the site is escaping us). Bet you didn’t think you would read an almond report that mentioned a derivative of the word ‘jihad’ twice within 508 words. We digress yet again.

Receipts are up 9.5% at 1.516 billion pounds but because of more hulling capacity and an earlier harvest this means that we certainly will not make 2 billion pounds, right? Right? Well, it better be if the industry hopes to retain a shred of international respectability. We keep being reminded by buyers that last year through October, receipts were 1.385 billion pounds and the final crop size was 2 billion pounds. But they don’t realize that this crop was early, right? Really early, right?

Prices have fallen by around \$0.30 per pound from the all-time highs, but at least on the industrial material, they seem to have found a temporary bottom. BSU5% is around \$3.95 per pound. Still not too shabby when you realize that only 6 years ago, a paella-loving, BMW-driving friend of ours defaulted on \$1.65 contracts because the market was trading at \$0.95 per pound! Nonpareil prices are all over the board. The price quoted depends on who has what and who sold what. Those who were waiting for \$5 per pound six weeks ago are the cheaper sellers today. Those who were selling consistently as the market was rising are now trying to hold the line. Hong Kong is rumored to be a cheap reseller of inshell Nonpareil and Kenny G CDs today.

State laws banning gay marriage are being overturned and marijuana is now legal in Washington, D.C., the nation’s capital. Shipments to China/HK are down 40%, Spain is down 20%, uncommitted inventory is up 47.5%, the Raiders are winless and Estonia has not yet cracked the 500,000 pound barrier making it worthy of Almond Board shipment recognition.....If there was ever a doubt that the end is near, that doubt is now removed. Repent. Book some almonds for prompt shipment. Hope for the best. If the world does not end, you are likely buying towards the bottom of the market, as no one but India has any real inventory and many countries need to buy very soon. And if the world does end, you won’t be under any legal obligation to pay the invoice. You win either way.

“Did you know that Union people built the pyramids? It was originally designed as a cube. Each shift did a little less till the last said 'throw a rock on top and lets go home'.” Source Unknown.

Best regards,
DERCO FOODS